



2015

**LIHTC Mandatory
Developer Training
October 20-24, 2014**

2015 9% Application Overview of Changes

Review of Application Instructions (Available on IFA Website)

2015 Online Application Training Guide

The guide has been updated to reflect the 2015 Qualified Allocation Plan (QAP) and the Online Application changes.

- The training guide explains the functionality of the Application. It is a useful tool for working through the Application.

Project Description Tab

Credit Request

- Removed Transitional Housing

Minimum Set-Aside

- Removed the Note under Deep Rent Skewing.

Other Elections – Scoring Related

- Added check boxes for QAP Section 6.1.1 – Serves Lowest Income Residents.
- Added a checkbox for QAP Section 6.1.2 – Market Rate Incentive.
- Updated the language for Historical Projects, QAP Section 6.3.2.

Project Description Tab

Location Near Services

- Location Near Services language has been updated per QAP Section 6.2.1
 - ✓ No Exhibit 3S. Check the service boxes and enter the service(s) name and address(es).
 - ✓ Cultural Arts Facility, Park (City, State or County), and Public Transportation added.
 - ✓ Only distance change is for Public Transportation - ½ mile (walking distance)
 - ✓ If the Project hasn't been assigned a Primary Address (PA) or the PA doesn't show on Google Map(s), contact Dave Vaske via email 10 business days PRIOR to submission of the Application for approval of an alternate method.

Project Description Tab

Rental Assistance

Added fields to enter contact information for the Public Housing Authority (PHA).

- ✓ Exhibits 7T & 7S are now Release of Information forms for IFA to use to obtain the project based rental assistance, HUD-VASH Voucher Assistance, or PHA Project-Based Rental Assistance information directly from HUD, RD, or the PHA.

Impact on the Environment:

Updated the language for Radon System and Water Conserving Appliances per QAP Section 6.3.6.

Project Description Tab

- Energy Efficiency:
- For New Construction, HERS Index was lowered from 64 to 62 or less. (QAP Section 6.3.7)
- For Existing Structures, a statement was added that a Project utilizing Historic Tax Credits is not eligible. (QAP 6.3.7).
 - ✓ All buildings within the Project shall be on the National Register of Historic Places or are determined eligible for it by the State Historic Preservation Officer & if electing points, shall use state & federal historic tax credits as a funding source.
- Readiness to Proceed - Deleted

Targeting Plan

- Changed QAP reference from 2014 to 2015.
- Updated the language under Held for Occupancy per QAP - Appendix 2.
- Added fields to enter contact information for the person responsible for preparing the Targeting Plan and answering any IFA questions regarding the Targeting Plan.
- Added fields to enter contact information for person responsible for preparing the Affirmative Fair Housing Marketing Plan (AFHMP) and answering any IFA questions regarding the AFHMP.

Site Description Tab

- Updated language per 2015 QAP, Appendix 1.
- Added a Readiness to Proceed heading above utilities & infrastructure for threshold purposes per QAP Section 5.4 & Appendix 1 – D (Access to Paved Roads) & E (Utilities)
- ✓ All proposed sites shall have direct contiguous access from the Project site to existing paved publicly dedicated right of ways.
- ✓ All utilities are or will be physically available to and have adequate capacity for the Proposed Project.
- Added free parking to be included in the question regarding fee simple interest (site/buildings/free parking site).

Site Description Tab

- ✓ If yes is answered on any type of relocation, Exhibit 13T required. HOME requires an Exhibit H-24 if there is an existing structure.
- ✓ Questions pertaining to site characteristics shall require Exhibits 6Ba-c if answered yes; however, two questions if answered yes shall result in an error and an inability to submit:
 - 1) Is site located in a FEMA identified or proposed 100-year flood zone? (QAP, Appendix 1-B)
 - 2) Is any portion of the site or adjoining sites native prairie land, wet lands or endangered habitats? (QAP, Appendix 1-H.8)

Site Control Tab

Add certification box stating Applicant understands and certifies that site control shall be continuous and uninterrupted throughout the completion of the Project. (QAP, Appendix 1-A)

Zoning Tab

Added an acknowledgement box requiring the Applicant to indicate understanding that if proper zoning of the site is not possible, a substitute site shall not be permitted.

Ownership Entity Tab

- Applicant agrees to provide documentation that the Operating and Replacement Reserves accounts have been fully funded within 6 months of the date IFA sent the Ownership Entity the IRS Form 8609. (QAP Sections 4.3.1 – 4.3.2.2. & 8.11)
- Applicant agrees to provide IFA with the AFHMP at least 120 days prior to the first unit being Placed-in-Service. (QAP Sections 5.10 & 8.9.5)
- Applicant agrees to complete the IRS Form 8609 Part B and return a copy of it to IFA within 60 days from date IFA sent the executed IRS Form 8609 to the Ownership Entity. (QAP Section 8.7)

Ownership Entity Tab

- Updated language on the PHA Notification of Vacancies per QAP Sections 5.4.4 & 8.9.4.
- Updated language on the Lease Addendum per QAP Sections 5.15.
- Added language for Iowa Housing Search per QAP Sections 5.14 & 8.9.8.
- Applicant agrees to not create a sub-recipient of the federal historic tax credits in order to be eligible for more Tax Credits. (QAP Section 4.6.6)
- For Acq/Rehab and Preservation Projects a checkbox appears requiring certification that Applicant shall submit the Capital Needs Assessment (CNA) prior to start of construction. (QAP Sections 5.4.3 & 8.1.6)

Ownership Entity Tab

- Applicant agrees to develop and make public written tenant selection policies and procedures that include all requirements listed QAP Section 5.17 and the submission requirements listed in QAP Section 8.9.7.
- Applicant shall comply with the requirements of the Violence Against Women Act (VAWA) and shall use HUD 91066, Certification of Domestic Violence, Dating Violence or Stalking and HUD 91067, Lease Addendum. (QAP, Part B, Section 9.14.10).

Ownership Entity Tab

- Is the Ownership Entity a single asset entity to which Tax Credits shall be or have been awarded? (QAP Appendix 2 – Glossary of Terms) If no – can't submit.
- Does an Identity of Interest exist between the Ownership Entity, the builder, or the general contractor? If yes, the Builder and General Contractor Fees on the Financial Feasibility Tab shall be limited to 10% of Hard Construction Costs. (QAP Section 4.6.2)
- How many signatures are required for execution of legal documents? Entry of authorized signor(s) shall be required as well as the upload of the applicable Exhibit 14T (documentation of authorized signor(s)).

Ownership Entity Tab

- Added questions related to Ineligibility - QAP Sections 5.4.6.1.1-5.4.6.12, 5.4.6.2-5.4.6.2.3, 5.4.6.4-5.4.6.4.5, 5.4.6.3 – 5.4.6.3.6.
- If the Ownership Entity is an LLC, a type of management type field has been added. Select member or manager from the drop-down.

Nonprofit Tab (New 2015)

- Projects requesting the Nonprofit Set-aside shall complete the information in this tab, upload Exhibits 1SA-5SA, and select the submit request button at the bottom of the tab, no later than November 7, 2014.
- Projects with a materially participating Nonprofit, shall complete this tab and provide Exhibits 1SA-5SA at Application submission, but shall not be considered for the Nonprofit Set-aside.

Project Team Tab

- Added questions for authorized signors. Additional information regarding each authorized signor(s) shall be provided in applicable Exhibit 14T.
- Added question as to whether any fees paid to parties have an Identity of Interest. If yes, additional information shall be provided in the applicable fields. Refer to QAP Sections 4.6.1 and 4.6.5.
- Added questions for QAP Sections pertaining to QAP Sections 3.2.1 – Returning or New Developer in Iowa, 3.2.2 – New Tax Credit Developer. 18T is required for Returning or New Developers in Iowa.

Project Team Tab

- Added a heading – Qualified Development Team and a question inquiring if the team member has Materially Participated in the role of Developer, managing member, or development consultant in the development of a LIHTC Project that has received an IRS Form 8609 from any state within the past 7 years. If yes, additional information shall be provided. (QAP Section 5.4.2)
- Updated the language in the questions regarding delinquencies per QAP Sections 5.4.6.3.1 and 5.4.6.3.2.
- Added a heading – Qualified Development Team Experience and a scoring question inquiring as to whether a member of the QDT has completed three (3) LIHTC Projects which have received an IRS Form 8609 between July 1, 2008 and July 1, 2014 as a Developer, managing member, or General Partner. (QAP Section 6.4.3) If yes – provide information in fields.

Project Team Tab

- Management Company specific questions added:
 - ✓ Does this management company have at least three years LIHTC experience managing Section 42 Projects?
 - ✓ Does this management company manage LIHTC Projects in Iowa?
- Added two acknowledgement boxes (tenant selection plan and VAWA).
- Added field if the entity type is a LLC. Select management type in drop-down: member or manager.
- Added field to provide the state allocating agency name, contact name, and email for any state in which a team member has a previous LIHTC Project.

Project Team Tab

- Added fields on the Development Consultant – Project Team Tab to list all states in which the development consultant has performed as a LIHTC Development Consultant and to provide a list of Projects and related information.
- Changed Stakeholder title to Organizational Structure and all entities, individuals, and titles shall be disclosed by the Applicant. (Developer, General Partner, and managing member)
- State authorized/organized in.
- Management Company specific field: List all states in which the management company manages LIHTC Projects.

Project Amenities Tab

- Updated Market Appeal Characteristics language and scoring per QAP Section 6.3.1.
 - ✓ Scattered Site Projects are required to have the Video Security System to cover all Units.
 - ✓ In-Unit Laundry Space with Washer & Dryer – Projects with Historic tax credits do not qualify for points & dryer vents shall be vented to the exterior of the building.
 - ✓ Removed Wireless from Free Internet Connectivity.
 - ✓ Added Free Parking (one space per Unit within ½ mile, walking distance, of the Project's Primary Address. Parking shall meet IFA site control requirements.

Project Amenities Tab

- Updated language and scoring for Construction Characteristics per QAP Section.6.3.4.
 - ✓ The Exterior Construction (durability) category requirements have changed. Please review.
 - ✓ Added vertical grab bars in the bathtub/shower and lever door hardware throughout the Unit.
 - ✓ Main entrance definition updated – please review.
 - ✓ Steel frame doors – Projects with Historic tax credits do not qualify.

Project Amenities Tab

- Community Room requirement of 20 square feet is removed and is now listed under Other Site Amenities.
- Added washer and dryer hook-ups (only) under Other Interior Apartment Amenities.
- Added fitness center under Other Site Amenities.

Construction Characteristics Tab

- Updated language to QAP Appendix 1-G.
- Added field for providing the number of Adaptable Units in the Accessible Unit section. (Fair Housing Act)

Buildings Tab

- Added question – Is building part of the Project, been part of a LIHTC Project?
- Added question – Is any building that is part of the LIHTC Project in the initial 15 year Compliance Period? (QAP Section 2.4) If yes – can't submit.
- If any building is part of an existing LURA, the minimum set-aside from the LURA shall be entered.
- For each building entered, question shall be answered if it is eligible or determined eligible for the National Register of Historic Places.

Funding Sources Tab

- Added questions regarding current State HOME debt on the Project. If yes, another question shall be answered as to whether the new Ownership Entity is assuming the HOME debt.

Local Government Contribution

- Added Workforce Housing Tax Credits.
- For each contribution entered in the Application, a description of the required documents to be provided is listed. (QAP Section 6.2.3 & Exhibit 5S)

Funding Sources Tab

- Funding Sources
- The \$100 General Partner/managing member minimum contribution is now listed here rather than at the top of the page.
- Removed PRLF and Transitional Housing from the “type” drop-down.
- Added category in the “type” drop-down for a General Partner loan for anticipated State Historic Tax Credits.
- First (1st) mortgage debt shall have a minimum amortization of 30 years.

Costs and Credit Calc. Tab

- Reduced the Eligible Basis boost to 15% for Projects located in a Non-MSA City or County per QAP Section 7.2.2.
- Added two line items for Adjustment to QCT so all Eligible Basis boosts are listed in the applicable line (QCT, Non-MSA, and Special). (QAP 7.2.1 – 7.2.3.2)
- No Project shall receive more than a 30% increase in Eligible Basis per QAP 7.2.
- No Project shall receive an award of Tax Credits greater than the Project cap of \$800,000 per QAP Section 2.3.1.

Cost and Credit Calc Tab

- Per QAP 7.2.3, Applicants that elected points under Section 6.1.1 shall qualify for the Special Considerations Basis Boost for Projects Serving Lower AMI's,
 - ✓ An additional 15% (total of 30%) of the Units shall serve tenants with incomes at 40% or less of AMI for a 15% increase in Eligible Basis. (QAP 7.2.3.1)

Cost and Credit Calc Tab

- Per QAP 7.2.3, Applicants that elected points under Section 6.1.1 shall qualify for the Special Considerations Basis Boost for Projects Serving Lower AMI's.
 - ✓ An additional 5% (total of 10%) of the Units shall serve tenants with incomes at 30% or less of AMI for a 15% increase in Eligible Basis. These Units are in addition to any Units selected for the 40% or less AMI. (QAP Section 7.2.3.2)
 - ✓ If a Project is in a QCT, the QCT boost shall be applied first (30%).
 - ✓ If a Project is in a Non-MSA City or County, the 15% boost shall be applied before any 15% boost a Project may qualify for under QAP Sections 7.2.3.1 or 7.2.3.2.

Example of LIHTC cap Per Unit & Increase

- NC Project with 62 Units. 55 are LIHTC. 7 are Market Rate.
Tax Credits = \$749,369
- Not in QCT, but is in a Non-MSA City/County (Eligible for 15% increase).
- In Council Bluffs Locality for the Unit Cost Cap.
- Will provide 30% (or 19) of Units at 40% or less of AMI.
(Eligible for 15% increase)

2 bdrm X 20 Units X \$12,500 = \$250,000

3 bdrm X 28 Units X \$15,000 = \$420,000

4 bdrm X 7 Units X \$16,500 = \$115,000

Total = \$785,500 (Cap w/out Boost)

- Eligible for 30% increase of LIHTC cap Per Unit

\$785,500 X 1.30 = \$1,021,150 (**Capped at \$800,000**)

\$800,000/55 = \$14,545

Example of Eligible Basis Boost

- The 7 Market Rate Units are 5 – 3 bdrm. Units & 2 - 4 bdrm Units.
- Total Project Costs = \$9,800,000
- Eligible Basis = \$8,550,000
- Applicable Fraction is 88.71%
 - $\$8,550,000 \times 1.30 = \$11,115,000$
 - $\$11,115,000 \times .8871 = \$9,860,117$
 - $\$9,860,117 \times .076 = \$749,369$ (Tax Credit)
 - $\$749,369 / 55 = \$13,625$ LIHTC per Unit
- Unit Cost Cap is \$12,808,166
 - 2 Bdrm Units – $20 \times 169,708 = \$3,394,160$
 - 3 Bdrm Units – $33 \times 219,547 = \$7,245,051$
 - 4 Bdrm Units – $9 \times 240,995 = \$2,168,955$

Cost and Credit Calc Tab

- Removed Paving Extension from Section II. Site Work, but left Off Site Work for Utility.
- The 9% rate has changed from 7.7% to 7.6%.
- If there are fees paid to parties who have an Identity of Interest, these shall be disclosed by the Applicant and reviewed by IFA. (QAP Sections 4.6.1 and 4.6.5.)
- The IFA Construction Monitoring fee has been included in the applicable line item.

Projected Operating Costs Tab

- Included line for Free Internet Connectivity expense (if applicable)

HOME Tab

- Removed Recipient Type
- Added fields to enter the Hard Costs of Construction/Rehab for HOME-Assisted Units and Hard Cost of Construction/Rehab for Non-HOME Units when Units are not comparable.
 - ✓ Hard Costs to be entered shall not include soft costs or costs associated with common areas.

HOME Requirements Tab

- Language added to the bottom of the page regarding the HOME subsidy to the Project shall be at least \$1,000 per Unit.

HOME Overview Tab

- The zip code column has been replaced with an address that auto-fills with each building address in the Building Summary Table.
- Control type has been deleted from the Building Summary Table.
- In the Building Summary, changed # Units to # Total Units and added a column that says # Home Units that shall auto-fill with HOME Units from each building.

Financial Feasibility Tab

- Updated language and requirements to the 2015 QAP.
- Added statement for builder and general contractor fees that the fee is limited to 10% of Hard Construction Costs if an Identity of Interest exists between the Owner, builder, and general contractor.
- Added statement under Developer Fees pertaining to QAP Section 4.6.1.

Financial Feasibility Tab

- Added statement under Tax Credit Cap per LIHTC Unit that Projects qualifying for the Eligible Basis boost shall be allowed to exceed the Tax Credit Cap per LIHTC Unit as listed in QAP Section 4.9.1 as defined in QAP Section 7.2. The maximum increase a Project may qualify for is 30% as no Project shall receive more than 30% increase in Eligible Basis. A Project qualifying for and receiving an increase in the Tax Credit cap per LIHTC Unit shall also be limited to the \$800,000 Tax Credit award amount per Project listed in QAP Section 2.3.2.

Financial Feasibility Tab

- Added statement - IFA reserves the right to limit professional and other fees related to services rendered to the Project. Fees paid to parties who have an Identity of Interest shall be fully disclosed and at IFA's discretion shall be included in the allowable Developer fee. (QAP Section 4.6.5)
- Added statement - In the event the Developer fee, Consultant Fee, or builder fee limits are in excess of limits imposed, IFA shall make the appropriate adjustments during the underwriting phase of the evaluation of the Application. (QAP Section 4.6.3)

Scoring Tab

- Updated all scoring categories per QAP Section 6.
- Added statement that all scoring and amenity items selected in the Application shall be shown in the Project Site Plans (Exhibit 5B), Plans and Specifications (Exhibit 8B), and the Scope of Work (Exhibit 9B – if applicable). If a discrepancy in the requested points is discovered between the Application and exhibits, IFA shall award the least amount of points supported by the Application and the exhibits.

Scoring Tab

- If an Applicant is eligible for points for QAP Sections 6.1.1 or 6.1.2 based upon QAP Section 6 and units entered in the Buildings/unit Tab, but failed to check the box(es) on the Project Description Tab, a reminder shall appear that points for this category have not been requested. Applicants should notice zero (0) listed in the preliminary point's column, but this is an additional reminder.

Fees

- Updated to reflect fees in QAP Section 3.4.7.

Scoring in the Online Application

- Project Description Tab
- Buildings Tab
- Project Amenities Tab
- Funding Sources Tab

LIHTC Scoring Exhibits & Exhibit Changes

Threshold Exhibits (T)

- 1T (Updated for 2015)
- 3Tf (New 2015)
- 6Ta (New 2015)
- 7T (Revised for 2015)
- 12T (Required for 2015)
- 14Ta-f (New 2015)
- 15T, 16T, & 17T renamed to 15a, 15b & 15c (Revised for 2015)

LIHTC Scoring Exhibits & Exhibit Changes

Scoring Exhibits (S)

- 2S (Updated for 2015)
- 3S (No longer a required Exhibit required at Application submission)
- 5S (Updated for 2015)
- 7S (Revised for 2015)
- 9S-11S (Reserved for 2015)

Scoring Exhibits & Changes in LIHTC Threshold Exhibits

Threshold Exhibits (T)

1T – Application Certification & Acknowledgements

- Updated Olmstead Scoring Section. Architect shall certify to the Owner's Olmstead Scoring elections, if applicable. If not signed or listed correctly, no points shall be awarded. It is important that the architect reviews the Application and understand all Owner elections.

Scoring Exhibits & Changes in LIHTC Threshold Exhibits

Threshold Exhibits (T)

1T – continued

- Language updated to 2015 QAP.
- Under General Certifications – Added General Partner(s)/managing member(s)
- Added General Partner(s)/managing member(s) & Development Consultant toare responsible for all calculations and figures relating to the determination of the Eligible Basis for the Project and understand and agree that the amount of Tax Credit is calculated by reference to the figures submitted with this Threshold Application, as to the Eligible Basis and Qualified Basis of the Project and individual buildings.

Scoring Exhibits & Changes in LIHTC Threshold Exhibits

Threshold Exhibits (T)

1T - continued

- Added General Partner(s)/managing member(s) to many of the certifications.

3Tf - Ownership Entity (OE) & General Partner(s)/managing member(s) organizational chart

- Required of all Applicants.
- Needed to show all entities of the Ownership Entity & General Partner(s)/managing member(s).

Example: OE is an LLC. The managing member is an LLC, with a managing member that is an LLC, and has another LLC that is sole member of the managing member.

- The organizational chart should show all entities and the Project Team in the Application should reflect the same.
- Applicable 4T exhibits shall be provided for all of the LLC's and not just the managing member of the OE.

Scoring Exhibits & Changes in LIHTC Threshold Exhibits

6Ta – Nonprofit Board of Director's Resolution allowing a deferred payment obligation to the Project.

- Required if a deferred developer fee is listed as a funding source in the Application and there is a qualified Nonprofit.

7T & 7S- IFA, Rural Development (RD), or Public Housing Authority (PHA) Release of Information

- 7T required for all Projects that have Federal Project-Based Rental Assistance, HUD-VASH Voucher Assistance, or Public Housing Authority (PHA) Voucher Assistance
- 7S shall be required if points are elected for this scoring category in the Application.
- IFA's form shall be provided if the application assistance is provided by a PHA or HUD. RD's form shall be provided if assistance is provided by Rural Development.

Scoring Exhibits & Changes in LIHTC Threshold Exhibits

12T - Market Study Documentation

- Required of all Applicants at Application submission.
- Applicants shall provide market information they believe may be helpful in determining market feasibility of their project.
- Applicants are encouraged to submit any third party market information they believe would be helpful in determining the market feasibility of their project, including but not limited to, an independently obtained market study, information from proposed service providers, or other market information.

Scoring Exhibits & Changes in LIHTC Threshold Exhibits

14T's – Authorized Signor(s) Documentation

- 14Ta: Ownership Entity
- 14Tb: General partner(s)/managing member(s)
- 14Tc: Developer
- 14Td: Development Consultant (if applicable)
- 14Te: Management Company
- 14Tf: Architect

Scoring Exhibits & Changes in LIHTC Threshold Exhibit

15Ta - Authorization to Release Information and Project Listing.
(15Ta-15Tc – replaces 15T-17T) (IFA Required Form)

- Required of all Projects.
- Shall be signed by and project team members associated with the Application who have Materially Participated in a development role in a LIHTC project and as a result obtained an IRS Form 8609 from any state shall complete this release. This includes: Developer(s), General Partner(s), managing member(s) and Ownership Interest.
- Complete one Exhibit 15Ta for each state in which the individual and/or entity has previously participated or is currently participating in the Low Income Housing Tax Credit (LIHTC) Program, including Iowa. In addition, complete Exhibit 15Tb and 15Tc Section 1-A

Scoring Exhibits & Changes in LIHTC Threshold Exhibits

15Ta - continued

- Upload a copy of the completed Exhibits 15Ta, 15Tb and a copy of the email sent to each State Agency to the online Application no later than December 9, 2014, 4:30 p.m. CST.
- E-mail Exhibits 15Ta and 15Tb with Exhibit 15Tc to each State Agency listed. The appropriate State Agency shall complete Exhibit 15Tc and return it to: housingtaxcredits@iowa.gov.

Scoring Exhibits & Changes in LIHTC Threshold Exhibits

15Ta - continued

- Certification: As a materially participating development team member, Exhibit 15Ta Section 2-E and F, list all the projects I associated with in this state. Exhibit 15Tb provides current noncompliance information for all projects. Any other information on the projects that was inadvertently omitted can be released to IFA.

Scoring Exhibits & Changes in LIHTC Threshold Exhibits

Exhibit 15Tb – IRS 8823 & State Noncompliance Questionnaire

- List all IRS Form 8823's (annual reports and/or on-site inspections) that were issued against each LIHTC property October 1, 2013 - October 15, 2014.
- List all “Out-of Compliance” issues that have been reported as uncorrected (regardless of whether the “Out-of Compliance for which the IRS Form 8823 was issued has subsequently been corrected) to the IRS for each LIHTC property October 1, 2011 - October 15, 2014.
- List all State Issued Notice of Noncompliance issues (which addresses issues that are not in the compliance with the LURA) that have been reported since October 1, 2011 – October 15,
- Exhibit 15Tb must be provided to each State Agency with Exhibits 15Ta and 15Tc

Scoring Exhibits & Changes in LIHTC Threshold Exhibits

15Tc - State Agency Performance Questionnaire for LIHTC Program and other State Programs

- Updated questions to 2015 QAP language.

Scoring Exhibits (S)

2S - Provides an Opportunity for Homeownership

- Updated to include new QAP Requirements for the Iowa Rose Program:
 - ✓ Shall be 100% LIHTC.
 - ✓ Shall elect the 40/60 Minimum Set-aside election
 - ✓ Tenants shall pay all utilities
 - ✓ Rents shall be set at the 60% or less of AMI.
 - ✓ Shall not request State HOME funding.

Scoring Exhibits & Changes in LIHTC Threshold Exhibits

Scoring Exhibits (S)

3S – Location Near Services – No exhibit required by Applicant in 2015.

5S – Local Government Contribution

- Updated the form to include 2015 QAP language
- Added statement to show required attachments (if applicable) to each Exhibit 5S from each Local Government Entity or Political Subdivision
- Each Government Entity or Political Subdivision is required to complete the form for the contribution(s) provided.

Targeting Plans

- All approved 9% Projects are required to target 10% of the total Project Units to the Target Population (Persons with a Disability) as set forth in QAP Section 5.16.
 - Access to affordable, accessible housing is key to advancing Iowa's Olmstead Plan goals
 - Targeting Plan requirements to be satisfied after LIHTC award
 - No submission required at time of Application, but start thinking about Targeting Plan now

Targeting Plans

- Basics

- Not required to provide on-site supportive services or a service coordinator
- Must demonstrate a partnership with a Local Lead Agency (see QAP Glossary definition)
- Must submit a Targeting Plan to IFA for review and approval at least 120 days prior to the first Unit being Placed-in-Service

Targeting Plans

- Start thinking about:
 - Held for Occupancy policy and discuss with other funding sources that will require compliance monitoring
 - How the Project will meet the needs of Target Population tenants in terms of unit design, access to services, transportation, rent subsidy and proximity to community amenities
 - How the Project will make Targeted Units affordable to Target Population Extremely Low-Income Households (know rent subsidy options)

Targeting Plans

- Potential Local Lead Agency partner that can
 - Refer Target Population tenants to the Project
 - Provide, coordinate and/or act as a referral agent to make sure supportive services will be available
- Review QAP Section 5.16 and Appendix F - Understand the requirements – ask questions
- Review the Targeting Plan Template
 - Sample document can be expanded as needed but Targeting Plan Template provides minimum threshold level of information required and will help ensure greater consistency among Targeting Plans

LIHTC Construction Design & Process Overview

- a) Buildings must be durable, attractive, modest and energy efficient.
- b) Designs must be prepared by architects and engineers licensed to practice in the State of Iowa.
- c) Designs must conform to prevailing local codes as well as IFA requirements.
- d) All contractors must be registered to work in the State of Iowa.

LIHTC Construction Design & Process Overview

- e) Energy Star 3.0 standards must be met for New Construction & IECC for Rehabilitation Projects.
- f) Construction must begin within 18 months from the reservation date.
- g) An IFA Construction sign that meets the specifications outlined in the Application and Appendix E must be erected at initiation of construction.

LIHTC Construction Design & Process Overview

h) Final plans & specifications must be submitted to and approved by IFA before commencing site work or construction. Final plans must incorporate any and all remediation plans to address detrimental site characteristics (if applicable). The final plans must meet:

- Applicable building standards & codes
- Minimum development characteristics
- All construction related scoring criteria for which points were awarded.

i) IFA must be promptly notified of any changes or alterations which deviate from the final plans & specifications as approved by IFA.

LIHTC Construction Design & Process Overview

j) A Capital Needs Assessment shall be submitted & approved by IFA prior to beginning construction. (Rehab & Preservation Projects Only)

k) For existing structures, prior to preparation of the final work rehabilitation order & start of rehabilitation, provide a copy of the energy audit conducted by a certified home energy rater to IFA. The rater, owner, and IFA will determine the feasibility of meeting the requirements of IECC. Appropriate specifications to meet IECC standards or alternate cost effective energy efficiency improvements must be included in the final work rehabilitation order.

Design Submittal

- Capital Needs Assessment (Rehab & Preservation Projects only)
- Scope of Work (Rehab only)
- Energy Assessment/Report
- Plans & Specifications that include completed civil, architectural, code reviews and specifications; and sprinkler, mechanical & electrical schematics that clearly show IFA requirements are met.

Inspections & Site Visits

- An IFA representative must attend the Pre-Construction/Kick-off Meeting.
- IFA is not the inspector of record.
- Inspections are required as follows:
 - ✓ NC: Foundations, Rough-In, Insulation or Progress & Final
 - ✓ Rehab: Three Progress Visits and a Final
- QAP Section 3.4.7 contains fees for missed or failed inspections.



IOWA FINANCE
AUTHORITY

LIHTC / HOME 2015 Applications

HOME Rental Overview

- IFA's maximum HOME investment per project is \$1,000,000
- IFA's maximum HOME investment per unit is based on the 2012 221(d)(3) limit for elevator type projects

[Iowa 221 \(d\)\(3\) limits](#)

HOME Update

- The 2013 HOME Final Rule was published August 23, 2013

[2013 HOME Final Rule changes](#)

- Various timelines for implementation of the new requirements, most are effective now

Form of HOME Subsidy

- Structured as a loan
- Must be repaid
- Up to 30 year amortization
- Variable payments based on ability to pay
- 0% interest

Affordability Periods

- HOME-assisted units have a mandatory affordability period based on the amount of HOME investment
 - 5 years for less than \$15,000 per unit
 - 10 years for \$15,000 to \$40,000 per unit
 - 15 years for more than \$40,000 per unit
 - All new construction will have an affordability period of 20 years

Affordability Periods

- Enforced through covenants and restrictions
- If there has been a previous investment of HOME funds in a property, please contact IFA to determine if the property is eligible for additional HOME investment

Affordability Period

During the affordability period, IFA shall examine the financial condition of projects with HOME-assisted units at least annually, and must take action where feasible to correct problems that threaten a project's financial viability

Income Eligibility

- 90% of the total households assisted must have incomes at or below 60% AMI
- In projects of five or more HOME-assisted units, at least 20% of the HOME-assisted units must be rented to those that are at or below 50% AMI
- All eligibility must be verified through source documents (two months) and recertified annually

Acquisition and Relocation

Any project funded with HOME funds that will result in either the temporary relocation or permanent displacement of current tenants *must* comply with Iowa Finance Authority Relocation Assistance Policy and with all of the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA).

Lead Based Paint

- The HOME program is impacted by HUD's Lead Safe Housing Regulations.
- This legislation is formally known as:

“Requirements for Notification, Evaluation and Reduction of Lead-Based Paint Hazards in Federally Owned Residential Property and Housing Receiving Federal Assistance; Final Rule”
(24 CFR, Part 35)

Lead Based Paint

- HUD has also issued “[interpretive guidance](#)” to Lead Safe Housing Regulations
- The applicability of the various subparts of this regulation will depend upon the type of activity you are undertaking
- In addition, all licensing, oversight and work requirements mandated by the Iowa Department of Public Health concerning lead-based paint must be satisfied

Environmental

- **DO NOT** purchase the proposed site, from this point, until the environmental is completed and the Request for Release of Funds letter is received.
- Make sure that your option to purchase will not expire until after the environmental is completed (3-4 months) after the award.

Environmental

- **Completion** of the environmental review is required before you can incur or draw any funds for your project
- The environmental requirements and process for your project will lengthen the time before your project will be able to move forward

Environmental

Make sure that you complete the NOISE exhibit and if required, a noise assessment must be completed to submit with the application.

Section 3

- Section 3 is only triggered when the normal completion of construction and rehabilitation projects creates the need for new employment, contracting, or training opportunities
- Applies to all recipients of HUD Community Planning and Development funding (including HOME) exceeding **\$200,000**
- Applies to any contractor or subcontractor that receives contracts in excess of **\$100,000**

Section 3

- Projects must provide an acceptable Section 3 Plan of Action outlining their intentions to comply with the regulation
- Must also provide Section 3 report at project completion detailing the results of these efforts

Questions?

- Written questions can be e-mailed to Carolann.jensen@iowa.gov
- Responses will be published on the IFA HOME website each Friday